

Message Text

LIMITED OFFICIAL USE

PAGE 01 OECD P 05775 01 OF 03 061637Z

42

ACTION EB-04

INFO OCT-01 ISO-00 SS-04 EUR-03 NSC-04 NSCE-00 INR-01

INRE-00 CIAE-00 TRSE-00 SSO-00 /017 W

----- 050834

O 061625Z MAR 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC IMMEDIATE 5771

LIMITED OFFICIAL USE SECTION 01 OF 03 OECD PARIS 05775

LIMDIS

GREENBACK

PASS TREASURY FOR COOPER AND BRADFIELD

E.O. 11652: N/A

TAGS: EFIN, OECD

SUBJECT: OECD FINANCIAL SUPPORT FUND

1. FOLLOWING TRANSMITS TEXTS OF CERTAIN REVISED SECTIONS OF DRAFT AGREEMENT. IF BRADFIELD HAS QUESTIONS ON THEM PRIOR TO COMING TO PARIS, SUGGEST HE TALK TO TRAVERS BY TELEPHONE. WE HOPE TO BE ABLE TO GIVE WIDMAN, TO HAND-CARRY ON SATURDAY, FULL TEXT OF AGREEMENT AS REDRAFTED BY SECRETARIAT. BEGIN TEXT

IN ARTICLE VII

SECTION 3. DEFINITION OF CALLS

(A) FOR THE PURPOSES OF SECTION 1 (A)(I) OF THIS ARTICLE, A CALL SHALL MEAN A NOTICE BY THE FUND TO A MEMBER TO MAKE A TRANSFER OF FUNDS TO THE FUND. HOWEVER, MEMBERS PROVIDING DIRECT FINANCING SHALL NOT BE REQUIRED TO MAKE SUCH A TRANSFER IN RESPECT OF THE ADDITIONAL AMOUNT IN THE CALL, DETERMINED UNDER SUB-PARAGRAPH (D)(II) OF THIS SECTION.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 05775 01 OF 03 061637Z

(B) FOR THE PURPOSES OF SECTION 1 (A)(II) AND
(B) OF THIS ARTICLE, A CALL SHALL MEAN A
NOTICE BY THE FUND TO A MEMBER REQUIRING IT
TO PROVIDE TO THE FUND A COMMITMENT TO
STAND READY, UPON AN INSTRUCTION FROM THE
FUND PURSUANT TO ARTICLE XIII, TO TRANSFER
FUNDS TO THE FUND IN THE AMOUNT OF THE
UNDERTAKING. HOWEVER, MEMBERS PROVIDING AN
INDIVIDUAL UNDERTAKING SHALL, IN RESPECT OF
THE AMOUNT BY WHICH THE ADDITIONAL AMOUNT IN
THE CALL, DETERMINED UNDER SUB-PARAGRAPH
(D)(II) OF THIS SECTION EXCEEDS THE ALLOWANCE
DETERMINED UNDER SUB-PARAGRAPH (D)(I) OF
THIS SECTION, NOT BE REQUIRED TO PROVIDE SUCH
UNDERTAKING AND COMMITMENT.

(C) WHERE CALLS TO FINANCE A LOAN INCLUDE CALLS
TO PROVIDE AN INDIVIDUAL OR COLLECTIVE
UNDERTAKING ON BORROWING BY THE FUND,
ALL THE CALLS SHALL INCLUDE, IN ADDITION
TO THE QUOTA SHARE OF THE MEMBER IN THE
FINANCING OF THE LOAN, AN AMOUNT, TO BE
DETERMINED BY THE GOVERNING COMMITTEE IN
ACCORDANCE WITH PARAGRAPHS (D) AND (E) OF
THIS SECTION, RELATING TO:

(I) AN ALLOWANCE FOR INTEREST AND OTHER
CHARGES ON THE BORROWING BY THE FUND,
AND,

(II) IN THE CASE OF CALLS TO PROVIDE A COLLEC-
TIVE UNDERTAKING, THE MEMBER'S LIABILITY
TO MAKE A TRANSFER TO THE FUND IN RES-
PONSE TO AN INSTRUCTION UNDER ARTICLE
XIII, SECTION 5 (A)(I).

(D) WHERE THE CALLS TO FINANCE A LOAN INCLUDE
CALLS TO PROVIDE AN INDIVIDUAL UNDERTAKING,
THE ADDITIONAL AMOUNT SHALL BE CALCULATED AS
FOLLOWS:

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 05775 01 OF 03 061637Z

(I) AN ALLOWANCE FOR THE PAYMENT OF INTEREST
AND OTHER CHARGES, IN RESPECT OF BORROW-
ING BY THE FUND ON AN INDIVIDUAL UNDER-
TAKING, SHALL BE DETERMINED FOR EACH
MEMBER THAT PROVIDES SUCH AN UNDERTAKING.

(II) THE ADDITIONAL AMOUNT WHICH SHALL BE

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OECD P 05775 02 OF 03 061645Z

43

ACTION EB-04

INFO OCT-01 ISO-00 SS-04 EUR-03 NSC-04 NSCE-00 INR-01

INRE-00 CIAE-00 TRSE-00 SSO-00 /017 W

----- 050953

O 061625Z MAR 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC IMMEDIATE 5772

LIMITED OFFICIAL USE SECTION 02 OF 03 OECD PARIS 05775

LIMDIS GREENBACK

CALLED UPON TO FINANCE THE LOAN SHALL BE
IN THE SAME PROPORTION TO ITS QUOTA
SHARE IN THE FINANCING OF THE LOAN AS
THE ALLOWANCE, DETERMINED UNDER SUB-
PARAGRAPH (I) OF THIS PARAGRAPH, WHICH
IS THE HIGHEST IN PROPORTION TO THE
QUOTA SHARE OF THE MEMBER FOR WHICH THE
ALLOWANCE IS DETERMINED.

(E) IN THE CASE OF CALLS TO PROVIDE A COLLECTIVE
UNDERTAKING, THE ADDITIONAL AMOUNT IN THE
TOTAL CALL ON EACH MEMBER SHALL BE CALCULATED AS FOLLOWS:

(I) AN ALLOWANCE FOR THE PAYMENT OF INTEREST
AND OTHER CHARGES ON THE BORROWING BY
THE FUND, SHALL BE DETERMINED AND THE
TOTAL ALLOWANCE SHALL BE DISTRIBUTED
AMONG MEMBERS IN PROPORTION TO THEIR
QUOTA SHARES IN THE FINANCING OF THE
LOAN.

(II) AN AMOUNT SHALL BE DETERMINED WHICH

SHALL FIX THE MAXIMUM LIABILITY OF THE
MEMBER TO MAKE A TRANSFER TO THE FUND IN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 05775 02 OF 03 061645Z

RESPONSE TO AN INSTRUCTION UNDER ARTICLE
XIII, SECTION 5(A)(II), TO ENABLE THE
FUND TO MEET ITS OBLIGATIONS IN RESPECT
OF BORROWING ON THE COLLECTIVE UNDER-
TAKING. THIS AMOUNT SHALL REPRESENT A
UNIFORM PERCENTAGE, NOT EXCEEDING 50 PER
CENT, EXCEPT IN THE CASE OF A MEMBER
WHICH AGREES TO A HIGHER PERCENTAGE, OF
THE SUM OF EACH MEMBER'S QUOTA SHARE IN
THE FINANCING OF THE LOAN AND THE AMOUNT
DETERMINED IN ACCORDANCE WITH SUB-
PARAGRAPH (I) OF THIS PARAGRAPH.

FOR INSERTION IN ARTICLE XI
(EXISTING SECTION 4 BECOMES SECTION 7)

SECTION 6. THE SDR VALUE OF THE CALLS ON QUOTAS, THE
REDUCTIONS OF SUCH CALLS AND THE OBLIGATIONS
AND CLAIMS UNDER ARTICLE XIII

FOR THE PURPOSE OF DETERMINING THE AMOUNTS OF THE
CALLS ON MEMBERS' QUOTAS, THE REDUCTIONS OF SUCH CALLS
IN CONNECTION WITH REPAYMENTS, THE ADJUSTMENTS OF SUCH
CALLS IN CONNECTION WITH INTEREST PAYMENTS AND THE OBLIGA
TIONS AND CLAIMS UNDER ARTICLE XIII, THESE AMOUNTS SHALL
BE VALUED IN SDR, IN ACCORDANCE WITH THE FOLLOWING RULES,
IN CASES WHERE THE FINANCING AND THE CORRESPONDING LOAN
ARE NOT DENOMINATED IN SDR:

(A) IN THE CASE OF CALLS FOR DIRECT FINANCING,
OR CALLS UNDER ARTICLE XIII, SECTION 4 AND
5(A)(II):

(I) THE CALL ON THE MEMBER'S QUOTA SHALL
BE THE SDR EQUIVALENT, AT THE DATE OF
TRANSFER, OF THE AMOUNT OF THE CURRENCY
OR CURRENCIES TRANSFERRED BY IT TO THE
FUND, INCREASED, WHERE APPROPRIATE, IN
THE PROPORTION DETERMINED UNDER SECTION
3(D)(II) OF ARTICLE VII.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 05775 02 OF 03 061645Z

(II) THE CALL ON THE MEMBER'S QUOTA SHALL BE REDUCED BY THE SDR EQUIVALENT, AT THE DATE OF A REPAYMENT BY THE FUND, OF THE AMOUNT OF CURRENCY OR CURRENCIES USED FOR THE REPAYMENT, AND SHALL ALSO BE ADJUSTED, WHERE APPROPRIATE, TO TAKE ACCOUNT OF INTEREST PAYMENTS.

(B) IN THE CASE OF INDIVIDUAL AND COLLECTIVE UNDERTAKINGS:

(I) THE CALL ON THE QUOTA OF A MEMBER PROVIDING SUCH AN UNDERTAKING SHALL BE THE SDR EQUIVALENT OF THE AMOUNT OF CURRENCY OR CURRENCIES BORROWED BY THE FUND ON THAT UNDERTAKING, INCREASED BY THE AMOUNT DETERMINED UNDER ARTICLE VII, SECTION 3(D) OR (E).

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OECD P 05775 03 OF 03 061658Z

43

ACTION EB-04

INFO OCT-01 ISO-00 SS-04 EUR-03 NSC-04 NSCE-00 INR-01

INRE-00 CIAE-00 TRSE-00 SSO-00 /017 W

----- 051303

O 061625Z MAR 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC IMMEDIATE 5773

LIMITED OFFICIAL USE SECTION 03 OF 03 OECD PARIS 05775

LIMDIS GREENBACK

(II) THE SDR VALUE OF THE CALL SHALL BE ADJUSTED, IN ACCORDANCE WITH DECISIONS OF THE GOVERNING COMMITTEE, TO TAKE ACCOUNT

OF CHANGES IN THE SDR VALUES OF THE CURRENCIES CONCERNED, WHILE LEAVING A MARGIN WITHIN THE QUOTA TO ALLOW FOR AN INCREASE IN THE SDR VALUE OF THE CALL.

(III) THE CALL SHALL BE REDUCED, BY THE SDR EQUIVALENT, AT THE DATE OF A REPAYMENT BY THE FUND ON THE CORRESPONDING BORROWING, OF THE AMOUNT OF CURRENCY OR CURRENCIES USED FOR THE REPAYMENT. THE CALL SHALL ALSO BE ADJUSTED TO TAKE ACCOUNT, WHERE APPROPRIATE, OF INTEREST PAYMENTS ON THE CORRESPONDING BORROWING.

SECTION 7. CHANGE IN METHOD OF VALUATION OF THE SDR

IF THE GOVERNING COMMITTEE DECIDES TO ADOPT A CHANGED VALUATION METHOD FOR SDR, PURSUANT TO ARTICLE III, SECTION 2(B), SUCH METHOD OF VALUATION SHALL APPLY ONLY TO THOSE CLAIMS AND LIABILITIES THAT ARISE AFTER THE ADOPTION OF THE CHANGE IN METHOD OF VALUATION.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 05775 03 OF 03 061658Z

ARTICLE XIII, SECTION 4(B)

(B) FUNDS TRANSFERRED BY MEMBERS UNDER THIS SECTION AND SECTION 5(A)(II) OF THIS ARTICLE SHALL BE DISTRIBUTED AMONG MEMBERS IN PROPORTION TO THE FUND'S OBLIGATIONS SPECIFIED IN PARAGRAPH (A) OF THIS SECTION. FOR THE PURPOSES OF THIS DISTRIBUTION, THE FUND'S OBLIGATIONS SHALL BE CONSIDERED TO HAVE BEEN DENOMINATED IN SDRS. ACCORDINGLY, WHERE THE OBLIGATION IS DENOMINATED IN A CURRENCY, IT SHALL BE CONVERTED INTO SDR AT ITS VALUE IN TERMS OF THE SDR, AT THE DATE ON WHICH THE FINANCING CONCERNED WAS PROVIDED TO THE FUND, AND THEN CONVERTED BACK INTO THE CURRENCY AT ITS CURRENT VALUE IN TERMS OF THE SDR.

END EXT

TURNER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXT, AGREEMENTS, FINANCIAL CONTRIBUTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 MAR 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975OECDP05775
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750078-1108
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750376/aaaacqpr.tel
Line Count: 325
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: LIMDIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 13 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13 MAY 2003 by ElyME>; APPROVED <19 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OECD FINANCIAL SUPPORT FUND
TAGS: EFIN, OECD
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006